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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/609,147

06/30/2000

Jay S. Walker

99-110

2957

22927

7590

06/29/2005

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EXAMINER

CARLSON, JEFFREY D

ART UNIT

PAPER NUMBER

3622

DATE MAILED: 06/29/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/609,147

Applicant(s)

WALKER ET AL.

Examiner

Jeffrey D. Carlson

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 24 March 2005.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 75-108 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 75-108 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

1. This action is responsive to the paper(s) filed 3/24/05.

#### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

- Claims 75-106 are rejected under 35 U.S.C. 101 because they are not within the "technological arts." The only technology that could be argued to be set forth in method claim 75 is the slot machine which is only responsible for trivial data transmission/output (transmission of a question). Such trivial recitation of technology is not sufficient to put the claims within the "technological arts." The transmission of a signal (request to compensate) to the slot machine does not necessarily include the receipt of such signal by the slot machine and even if the slot machine were positively claimed as receiving the signal, such receipt would likewise be considered to be trivial recitation of technology (mere data input). Applicant should include computer-based steps that are non-trivial and which include data processing as calculation, computation, analysis or decision making such as of selecting a player and determining compensation in order to put the claims within the technological arts. See below for the basis of this rejection.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore,

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the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

### ***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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3. Claims 75, 76, 79-97, 99-103, 105-108 are rejected under 35 U.S.C. 103(a) as being unpatentable over Raven et al (US5429361) in view of Plainfield et al (US5893075).

Regarding claim 75, 81, 106, 107, 108, Raven et al teaches programmed slot machines and networks which identify players and deliver promotional messages to the players [abstract]. Promotional messages may include notices of special events, special rates, etc. [5:58-61]. Frequent players can earn bonus or frequent player points by spending certain amounts [8:25-27]. At the slot machine, the player is identified via his playerID card and his history/accumulation of points is displayed [7:52-56]. Special players are identified and treated differently based on their card data and amount being played [9:60-68]. Although Raven et al teaches that messages may request that the player respond interactively to enter requested information [5:63-64], Raven et al does not teach compensating the player for responding to a survey. Plainfield et al teaches surveying identified customers and rewarding the customers for responding as a means to create an incentive for participating in the marketing survey. It would have been obvious to one of ordinary skill at the time of the invention to have collected valuable marketing/profile/preference data from selected identified customers of Raven et al and to have rewarded them for participation. Plainfield et al teaches rewarding the customers with entry into contests (games of chance), etc and it would have been obvious to one of ordinary skill at the time of the invention to have rewarded the selected identified slot players with any incentive including points in the bonus points system disclosed by Raven et al. Regarding claim 75, 76, 99, 102, 103, it would have

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been obvious to one of ordinary skill at the time of the invention to have selected any type of player, including losing players, for rewarding participation in a data gathering survey, so that the survey data could be collected for any type of targeted segment or so the reward for survey participation may be offered to those who are losing in order to keep their spirits up. The reward-based survey itself can be taken to be an offer.

Regarding claim 106, the signal is clearly after the response is received and is taken to meet the broad "soon after" language.

Regarding claims 79-80, the reward can viewed by the player as "offsetting or "erasing" a loss.

Regarding claim 80, 83-97, Official Notice is taken that it is well known for casinos to "comp" players with free plays/tokens, credits, cash, reduced rates, free rooms and to manipulate the prize tables, activate additional paylines/reels in order to increase the players chance of winning and it would have been obvious to one of ordinary skill at the time of the invention to have provided such as the compensation for the survey taking of Plainfield et al.

Regarding claim 82, Official Notice is taken that video poker machines are well known to be used in casinos and it would have been obvious to one of ordinary skill at the time of the invention to have credited the players with free/bonus points or credits to be used at any machine including video poker (a game of skill).

Regarding claims 100, 101, it would have been obvious to one of ordinary skill at the time of the invention to have provided the survey question(s) at any time where it can be detected that a player is present such as when the reels are spinning, when a



card is swiped or when a coin is deposited. All are obvious methods of determining whether a player is present. Further, applicant's claiming of various triggers to send the question is evidence of a lack of criticality regarding such triggers.

Regarding claim 105, any response is taken to be a commitment for providing truthful answers.

4. Claims 77, 78 and alternatively, 76, 84, 102, 103 are rejected under 35 U.S.C. 103(a) as being unpatentable over Raven et al in view of Plainfield et al and Liverance (US5971850). Liverance teaches that the slot machine can adapt and make the chance for success easier if the player is losing in order to optimize the player's interest in the game and sustain the time played at the machine [2:24-64]. It would have been obvious to one of ordinary skill at the time of the invention to have targeted losing players of Raven et al and offered them opportunities to complete surveys in order to increase their chances of future winning if they participate and continue playing. Regarding claim 77, Raven et al teaches that entire player histories (i.e. plural sessions) are tracked. Regarding claim 78, any amount losing can be said to be above a threshold of \$0.00. The reward-based survey itself can be taken to be an offer.

5. Claim 98 is rejected under 35 U.S.C. 103(a) as being unpatentable over Raven et al in view of Plainfield et al and Paige (US5941772). Paige teaches putting ad logos on slot reels. It would have been obvious to one of ordinary skill at the time of the invention to have provided such ad-enhanced reels with the systems of Raven et al and

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Plainfield et al in order to exploit the player's gambling attention for advertising revenue.

In the obvious case of providing free points/credits/plays, the compensation is taken to be allowing the player to watch and play the ad-enhanced reels.

6. Claim 104 is rejected under 35 U.S.C. 103(a) as being unpatentable over Raven et al in view of Plainfield et al and Dyer (US5090734). Dyer teaches presenting an advertisement to a user and collecting answers from the user regarding questions about the product/ad. It would have been obvious to one of ordinary skill at the time of the invention to have collected such marketing information with the system of Raven et al/Plainfield et al in order to gather advertising and product information from casino customers.

### ***Response to Arguments***

Applicant argues that examiner has not followed procedural requirements in making the rejections. Examiner disagrees and believes that the rejections are properly formed.

Applicant argues that the references do not teach selecting a player based upon a losing gambling history. As pointed out, Raven et al teaches identification of players as well as special treatment for certain players. It would have been obvious to one of ordinary skill at the time of the invention to have transmitted the disclosed interactive questions (taken to meet the broad language of a survey) to any desired individual or type of individual, including losing players.

Applicant argues that claims 79 and 80 require offsetting or erasing a loss. The compensation for answering questions can meet both of those requirements. Whether a reward (regardless of how small) offsets/erases a loss (regardless of how large) is largely up to the player's interpretation.

Applicant argues that the Examiner does not provide support or evidence for the Official Notices taken; this is the nature of taking Official Notice. Examiner believes these assertions are well known. Applicant has also lumped together the taking of Official Notice for certain features as well as the examiner's reliance (for other features) on what he believes would have been obvious given the provided references as improper and merely requests that references be made available. This is not believed to be a "seasonable challenge" to the takings of Official Notice. Further, it is unclear if applicant is challenging all aspects of the Official Notice – for example is applicant challenging the asserted prior existence of video poker machines (claim 82 rejection)?

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey D. Carlson whose telephone number is 571-272-6716. The examiner can normally be reached on Mon-Fri 8:30-6p, (off on alternate Fridays).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571)272-6724. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jeffrey D. Carlson  
Primary Examiner  
Art Unit 3622

jdc